

**Virginia Workforce Council
Virginia Historical Society
Richmond, Virginia
October 1, 2002
Minutes**

I. Call to Order.

Chair Michael A. Daniels called the meeting to order at 10:10 a.m. The public comment period to come later was announced.

II. Roll Call – Members Present

Michael A. Daniels, Chair
Mayor Donald B. Baker
Andrew Jay Behr
Don Borwhat, Jr.
John Cannon
Thick Sang Chin
Patrick J. Dean
Dolores A. Esser
Aisha Johnson Fallen
C. Michael Ferraro
Richard A. Gonzalez
Senator Charles R. Hawkins
Irvine B. Hill
Delegate Clarke N. Hogan
George E. Hunnicutt, Jr.
Hugh D. Keogh
Mark R. Kilduff
Robert B. Lambeth, Jr.
Daniel G. LeBlanc

Charlie H. Mills III
Robert H. Myers
Supervisor Patricia S. O'Bannon
Allen M. Phibbs
Dr. Rebecca B. Rice
Secretary Michael J. Schewel
Richard L. Settle
Mark Singer
James H. Underwood
Secretary Belle S. Wheelan
Secretary Jane Woods
Andrea Wooten

III. Approval of the Minutes

The minutes of the June 12, 2002 meeting were approved.

IV. Comments by Secretary Schewel.

Chair Daniels asked Secretary Schewel to provide a brief summary of the recent economic development focus groups held around the state for the Governor's economic development strategic plan and to highlight forthcoming Workforce Investment Act (WIA) policy changes. Secretary Schewel explained that seven regional meetings were held around the state on the Governor's Economic Development Strategy. The strategy is statutorily mandated and must be completed in the first year of a new administration. The result will be a plan to be presented at the December 4, 2002 quarterly seminar of the Department of Business Assistance. One of the goals is the development of a 21st Century

workforce in Virginia that will be internationally competitive. Many good ideas surfaced regarding this issue.

Regarding the WIA, Secretary Schewel has held meetings with various Workforce Investment Board (WIB) Chairs, local elected officials, other interested parties and the Virginia Employment Commission (VEC). The purpose of the meetings was to hear ideas on ways to improve the delivery of services, the effectiveness of the WIBs and the way the WIA works in Virginia. After these discussions, Secretary Schewel made the following assurances: the state will provide greater flexibility to the WIBs to ensure effective local implementation of the WIA; the state will provide firmer guidance on questions that WIBs have; and implementation of the WIA in Virginia will have an economic development focus.

Concerning the Virginia Workforce Council (VWC), policy direction will be provided to WIBs to improve WIA operations and the VWC will serve as a policy board to provide guidance on the way in which workforce activities should take place.

In return Secretary Schewel requested that good appointments be made to the WIBs and when members are not effective, that they be replaced. Additionally, he asked that other partners be brought to the table as is contemplated by the WIA. He requested that the WIBs move beyond the Job Training Partnership Act (JTPA) model and focus WIA activities on economic development. There will be more of these meetings and the VWC is an important part of the dialogues.

V. Longitudinal Employer-Household Dynamics (LEHD) Program - Julia Lane, Senior Research Fellow, U.S. Census Bureau

Ms. Lane presented information on an innovative new state/federal partnership between the Census Bureau, the U.S. Department of Labor (DOL) and ten states (CA, FL, IL, MD, MN, NC, NJ, OR, PA, and TX) called the Longitudinal Employer – Household Dynamics (LEHD) program. The Census Bureau uses state unemployment (UI) wage and tax records and other data sources to prepare three key state products: (1) 29 quarterly workforce indicators about the state economy, detailed by industry and geography (i.e. job gains/losses, changes in employment, skills by types of workers), (2) enhanced UI wage records, and (3) information about success/predecessor firms.

The advantage of this data is that it is timely, local, and comparable across areas. The UI wage records also capture the turbulence and change in the economy. Partner states were asked to identify indicators of interest to them. A brochure was provided to illustrate the series of indicators that were created from the data. The data allows you to examine geography, looking at detailed jobs in counties, cities and workforce investment areas. Industry codes are consistent across states, although the codes are in transition. The demographics of sex and

age categories is also included. The 29 indicators answer questions that could never be answered before that will be helpful to workers and employers. Through this program, states fulfill their mandate of providing high quality local market data to their customers. It costs under 2 cents a record to process this information without a burden on businesses and on individuals compared to \$65 for a demographic survey and over \$50 for a business survey along with the associated respondent burden.

Ms. Lane explained that the funding has been made available from the DOL to add eight more states to the project. The criteria to accept new states in the program are being developed. One of the criteria Ms. Lane would like to see is a demonstration that the WIB is intimately involved with the production of the data with the state (Labor Market Information (LMI) director. Several Council members indicated an interest in the project. Ms. Robinson indicated that Chair Daniels wrote the Census Bureau and DOL in August 2002 to indicate that Virginia was very much interested in the program whenever it was opened up to other states.

VI. Nurse Shortage Appropriations Act Study - Dolores Esser

Ms. Esser explained that the 2002 General Assembly mandated that the Virginia Workforce Council develop a WIA plan to identify the funding amount needed and the funding sources to train nurses. The General Assembly was concerned about the nurse shortage in Virginia. A recent survey dispels the widely held belief that there are fewer applicants enrolling in nurse education programs. The VEC conducted a survey of 16 universities, 23 community colleges, 48 vocational schools, and 17 hospitals, with a 98.6% response rate. Some study findings include: higher salaries and signing bonuses are drawing nurse education program graduates to clinical settings versus staying in faculty positions; students are switching majors or transferring to other schools to avoid lengthy waits for entry into nurse study programs; and nurse education is significantly more expensive than other academic programs.

Financial aid officers report that there are numerous scholarships, grants and loans available for nurse education. Although specific amounts are not set aside, WIBs are also providing funds for nurse training. Some of the study recommendations are: increase funding for faculty salaries; establish clinical rotations in hospitals during the evening as well as during the day; increase the board of nursing mandated ratio of students to faculty in clinical situations from 10 to 1 to possibly 12 or 15 to 1; establish a nurse faculty scholarship loan program; and several other funding related recommendations. Recommendations involving recruitment techniques were also included. Ms. Esser remarked that the study results would be presented to the Joint Commission on Health on October 8, 2002.

Dr. Rice offered suggestions for modifying the study recommendations, indicating that the report was excellent and up to date. The suggestions were: recruitment

initiatives should be de-emphasized at this juncture because of the backlog at public and private colleges and community colleges; and she found objectionable the 12 or 15 to 1 ratio for students to faculty recommendation for a variety of reasons not the least of which is safety. Dr. Rice said it was very important to work on strategies to improve or increase the number of nurse teaching faculty in Virginia.

VII. Status - Incumbent Worker Low Interest Workforce Training Loan Program (Workforce Training Access Program & Fund) – Dr. Myrt Fultz

Dr. Fultz reported that the low-interest loan program for workers is ready for implementation, which requires a contract between Sallie Mae and the Secretary of Finance. However, the Secretary of Finance has requested that the Department of Treasury delay the execution of a contract with Sallie Mae to gain a better understanding of the program and fund and given the state's budget situation.

There was discussion about the success of a similar program in Northern Virginia and the availability of other funding sources, including the WIA 10% statewide funds. Secretary Schewel remarked that this situation represents another reason why the General Assembly should be encouraged to refrain from appropriating the WIA 10% statewide funds, to allow latitude for the Council, in this regard. Some members were not familiar with the program. Chair Daniels requested the distribution of more information on the program to the Council members.

VIII. Public Comment - Chair Daniels

There were no public comments.

IX. Committee Reports

Chair Daniels explained that at the June 12, 2002 Council meeting there was wide-ranging discussion about the appropriate committee for the WIA 10% statewide budget recommendations. Council members were polled and the response was about 50/50 in favor of establishing a separate budget committee or assigning this responsibility to an existing committee. After careful thought, this responsibility was assigned to the WIA Coordinated Planning and the Hard to Employ Committee. It seemed logical to place the task where the WIA expertise resides. This committee will work with Secretary Schewel to propose a budget recommendation process at the next Council meeting.

➤ Continuous Improvement & Evaluation Committee - Chair Patrick Dean

Mr. Dean presented the PY 2000 Incentive Awards and briefing explained the award selection process. The committee recommendations are: Local Coordination Awards for the Northern Virginia WIB 11 to receive 234,000 dollars

and City of Richmond WIB 10 to receive 156,000 dollars and the Regional Cooperation Awards for Hampton Roads WIB 16 and the Greater Peninsula WIB 14 each to receive \$105,000. The Shenandoah Valley WIB 4 should receive the Governors Award for Best Practices in Workforce Development.

A question was asked about the source of the incentive funds. Ms. Robinson explained that in December of 2000 the Council voted to set aside \$600,000 from the 10% statewide funds for PY 2000 incentive awards. Secretary Schewel cautioned the Council that since these funds are subject to the Governor's discretion, that the recommendations are just that.

Questions were raised about the long award review process that was just completed and the Committee's thinking that the funds had been earmarked. Secretary Schewel indicated that he suspects that the Governor will conclude exactly as the Council has recommended. However, he wanted to leave the cautionary note that the Governor has the authority to conclude otherwise. Secretary Schewel went on to clarify that the general notion of providing incentives to WIBs that have performed well is very sensible and a good idea and it's what the Council ought to doing.

A motion was made to accept the recommendations of the four monetary incentive awards and the Governors Award as it is stated in the decision brief pending the decision of the Governor. The motion carried unanimously.

Mr. Dean reported that the Committee will consider additional performance measures beyond the required Federal measures in such areas as leadership, customer focus, market focus, and operations. The Committee will also work on ways to improve the policy and the incentive award process, which will begin again shortly for PY 2001.

➤ Workforce & Economic Development Committee - Chair Hugh Keogh

Mr. Keogh reported on the concept of Community Audits, which can be summarized briefly as a means in which key local stakeholders can better understand business, education and labor force trends and on that basis develop informed strategies to respond to worker and business needs. The Committee found the concept of community audits to be an extremely valuable tool in enabling Virginia communities, especially those in distressed areas to improve their economic opportunity. The Committee hopes the Commonwealth will devote resources to implementation of the concept commensurate with the potential impact. Dr. Christine Chmura would like to make a presentation on workforce management solutions to the full Council at its December meeting, which the Committee recommends.

The Committee also discussed the draft WIA policy for incumbent worker training and public comments. The DBA has indicated that it plans to revive its

incumbent worker-training program. The Committee will bring a final policy recommendation before the Council in December and anticipates making budget recommendations for incumbent worker training and community audits. Lastly, the Council approved the aging and incumbent worker study at its March 2002 meeting. The VEC will issue an RFP for a policy survey research firm to do the study. The Committee meeting dates have been set for the balance of the fiscal year and are posted on the Council's web site.

➤ Workforce Leadership & Partnership Committee - Vice Chair Aisha Johnson
Fallen

Ms. Fallen made the Committee report for Chair Copenhaver. The Committee found a two-fold solution on how to effectively track the progress of the strategic planning objectives. One strategy relies on traditional business principals and the other strategy embraces technology. The first prong of this solution is to incorporate the popular business principles of total quality management for the tracking progress towards achieving the strategic planning objectives. The second prong of the solution is to use information technology to aid in the tracking of the objectives. This would involve employing an Internet based sharepoint portal that would compliment the current full Council and Committee meeting schedule and allow its users to track its progress any time and anywhere.

Mr. Behr explained that the three principles and three benchmarks of total quality management are quality, cost and delivery. The Committee requested that each of the Committees look at these three principles and guide their action plans and their objectives using the three principles. This will allow the tracking of the performance of the Committees and the strategic plan for the coming year. The Committee envisioned having a matrix within the portal to track measurement against performance against goal. Each Committee could track performance against goals on a monthly basis.

Jonathan Ritter, Vice President of Business Development for Alentus, presented information on the Sharepoint portal site and software. They have six Sharepoint portals sites for the Virginia Community College System (VCCS) and a recent one now for the Virginia Workforce Council. The Sharepoint software allows for things like discussion forums, sharing of lists amongst members of a team, and posting of announcements. The document management and sharing capabilities of Sharepoint is probably its most popular feature. The cost of ownership on sharepoint is very low in that the interface needed on anybody accessing a sharepoint site is essentially free.

Several members raised concern about Freedom of Information Act (FOIA) implications for such an arrangement, duplication of Council web sites and the costs for the portal. Secretary Wheelan clarified that this would simply be an addition to the VCCS's use of the portal and the VCCS would pay the \$50-100 a

month fee. Ms. Esser explained that the idea of modifying the existing Council web site arrangement to separate it from the VEC site is being explored. The Committee recommended that the Council incorporate the total quality management principles with an emphasis on quality, cost and delivery to guide the work of the Council Committees as well as to embrace the sharepoint portal device for use in tracking Committees' progress. A motion was made to table the issue until Ms. Esser has the opportunity to bring recommendations back on enhancing the existing Council web site. The motion was seconded and carried. In response to a question from Committee Chair Ferraro, Chair Daniels indicated that the two Committees currently using the Sharepoint portal site could continue to do so in the interim.

➤ WIA, Coordinated Planning & the Hard to Employ Committee - Chair Daniel LeBlanc

Mr. LeBlanc reported that the Committee voted to table action regarding the Education for Independence and Skill Centers until the December meeting to give all interested parties an opportunity to express their intent and interest. A report was provided on the WIA 10% statewide funds. A motion will be delayed on this item, given Secretary Schewel's earlier remarks about the Governor's discretion. Based on advice from staff, the Committee will need more discussion on this matter.

There was considerable discussion about the 25% WIA statewide rapid response funds and the option of providing the WIA Committee the authority to make allocation recommendations in the interim in that the Committee can convene quicker than the Council. Ms. Esser explained the background on the funds and indicated that current applications would deplete the funds for this year. A more judicious decision making process is needed beyond the VEC, which also ensures that funds are available through June 30, 2003. This is also a source to address impending state layoffs. The Committee made a motion for the WIA, Coordinated Planning & the Hard to Employ Committee to be the oversight Committee for the WIA 25% statewide dislocated worker funds in the interim. The motion was seconded and carried unanimously.

The Committee presented a motion to extend current local strategic and operational plans through June 30, 2004. The staff will provide guidance that will enable WIBs to submit changes on October 1, 2003. The development of a five-year strategic plan will be required for the plan year beginning July 1, 2004. The motion was seconded and passed unanimously. The Committee will consider the process for unified plan revisions, pending guidance on emerging trends. The remaining FY 2003 meeting schedule for the Committee is posted on the Council's web site.

X. 2002-2005 Workforce Development Strategic Plan

Chair Daniels explained that the Council needed to vote on the mission, vision and objectives for the strategic plan. The Council approved the goals at its June 12, 2002 meeting. He further requested that voting on the timelines be delayed until the next meeting. Chair Daniels indicated that it was prudent for Committees responsible for objectives to revisit the timelines to insure that those set forth were realistic and, to make recommendations at the December Council meeting for any revisions. Once the timelines are agreed upon in December a final strategic plan will be published and submitted to the Governor. The Executive Committee will meet on October 22, 2002 in Richmond to discuss the specific goals and objectives that were referred to the Executive Committee by the Council.

Chair Daniels made a motion to vote to approve the vision, mission and objectives. The motion was seconded and carried unanimously.

XI. Council Member Comments - Chair Daniels

Chair Daniels requested Secretary Wheelan to comment on the current state budget situation. Secretary Wheelan indicated that the Education Secretariat is looking at possibly \$282 million in cuts. If there is any good news, a lot of positions will not be filled in Education as opposed to layoffs. The Cabinet has been traveling around the state to help the average citizen understand what has caused the difficult situation in trying to balance the budget. It was not the car tax alone that caused this situation. Since 60% of the state's revenue comes from withholding taxes, the decline of IT businesses in Northern Virginia seriously eroded that tax base in Northern Virginia. Further, the service and tourism industries were devastated after 9/11 and lastly the recession kicked in. All together, this has made for the worst economic condition that the Commonwealth has experienced.

Mr. Mills allayed concerns that voiced about first hired, first fired among state employees. He indicated that the budget cuts are being approached from a programmatic perspective, as opposed to across the board cuts. Programs are being viewed from the standpoint of, which are most and least valuable.

Mr. Keogh cautioned members about what he sensed as a paralysis overshadowing the state. He urged Council members and others to somehow help to restore a sense of zest and competitiveness. In making a political statement, Mr. Keogh indicated one way to do that was to support both the bond referenda and the sales tax increase for Council members who live in Northern Virginia or Hampton Roads. While these are short-term measures, they are nevertheless a step in the right direction to generate revenue revitalization in the Commonwealth.

XII. Adjourn - Chair Daniels

Chair Daniels adjourned the meeting at 12:30 p.m. He announced that an overview of the WIA would be presented after the meeting.